PRESERVED

App. F. IX-4

Previous References
1&C 6-34 (1-2)

1935.6

File No. 34-35
Serial Nos. 1-5

Letter References.
~~[illegible]~~
I&C 73-36-1
I&C 13-36 (1-5, M.D.)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. five

P

50

Part B for Dep't 3/5

SUBJECT.

Rubber Research Scheme.

WD 03607—GPB—22,500—2-8-35

12-7

URGENT.

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

Ftr. 34-35-1.

No. F.350-35.
R.OII.

Pol. 149

31 JUL 1935
DEVELOPMENT BRANCH.

FROM

Major C. G. N. Edwards, I. A.,

SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department.

31 JULY 1935
DEVELOPMENT BRANCH

Dated Bangalore, 29th July *1935*.

Subject.

RUBBER RESEARCH SCHEME.

SIR,

I am directed to forward a copy of letter from the Government of India, Department of Commerce, to the Governments of Madras and Burma, No.135-G(I.E.R), dated the 18th July 1935, with enclosure, and to request that if there is no objection, the views of the Government of Mysore on the scheme in general and on the proposed rate of the cess and the duration of the scheme in particular may kindly be furnished to this Residency on or before the 12th August 1935 for communication to the Government of India, so as to enable them to undertake the necessary legislation, if required, during the forthcoming session of the legislature.

I have the honour to be,
Sir,
Your most obedient servant,

for SECRETARY TO THE RESIDENT.

Draft letter to the Dir. I.E.R. sent for approval or otherwise

HD 31/7/35

The main features of the scheme are the levy of a cess on the export of rubber and the utilisation of the proceeds for the purpose of carrying on research in England and in India for a period of 10 years. The area under rubber in our State is a very little, less than 100 acres - 586 - it is for consideration whether the Mysore Agency or the Mysore Chamber of Commerce should be invited or a reply sent to the Residency through the Dy. Comr.

708
1-8-35

Flag F (Page 2) also see Pol.

Apply Govt. as mentioned in Pol 149

√

The acreage under rubber in the States is 5586 acres.

Draft to Residency as directed for consideration.

Dws 2/8

Fair draft. MW. 2/8.

DEW
5 AUG. 1935
No. 806

OFFICE OF THE FIRST MEMBER OF COUNCIL
3 AUG. 1935
No. 829

708
18-35

⊗ There is very little time for consulting their planting intentions as a reply is required on or before 12th inst.

Submitted with a typed draft. WWG 3/8/35.

For consideration

For Mr. Lewis

MW. 3.8.35. 3/8

5/8

Dewan's

MW. 5.8. 5/8

Mr

5-8-35

MW 6.8.

Issued 6/8

TYPING SECTION
7. AUG. 1935
V. SECTT.

Letter No Pol 184 dated 8/8/35 to the Legn & the Hon'ble the Resident stating that Govt have no particular opinions to express in the matter etc

Letter No F 215-35/R.O.11 dated 9-8-35 from the Legn to the Residency requesting approval of the copies of the Notfns. issued by the Govt of Bengal re the Rubber restriction scheme

Except the republications of the notfns of the Govt of India in the Bengal Gazette, no separate notifications have to be issued by this Govt

Legn

483 / 6 J-1

(3)

General and Revenue Secretariat. | H.C. File No. 8h of 193 5 | [App. F. III-2

re repeal of rubber restriction scheme.

Kaul & HJ

This Govt have however replied to the Residency that they would co-operate with the Govt of India in the matter. A draft reply to the Residency that notice by this Govt have not so far been issued and [illegible] six copies of each of the notices if & when issued will be supplied to the Residency is submitted for consideration

1146
21/8/35

Hs 20/8/35 KD

Dy Secy Hs 21/8

Please speak to me

addressed HW 22.8

Revised draft (forwarded - 6 copies of Notification) for approval

The Secy Hs 27/8

HW 27

Issued Hs 3/9

SECRETARIAT STAMPING SECTION. 3. SEP. 1935 GENL. & REV. SECTT.

1246
27/8/35

4 Letter No Pol. 272 Dt. 5.9.35
To. The Secy to Resident
Hs Six copies of the Copy of the Resolution of the Govt. of India Dt 26.5.34 on the Subject republished in the Mysore Gazette and State that no other Notifications have been issued by the Govt. on the Subject.

GEN. & REV. SECRETARIAT 35 109 GOVERNMENT OF INDIA

NOTE—Contn. Sheet.

Letter from the Government of India, Department of Commerce, to the Government of Madras and Burma, No.135-G(I.E.R.), dated the 18th July 1935.

---:0:---

RUBBER RESEARCH SCHEME.

I am directed to say that with reference to the provisions of Article.19 of the Inter-Governmental Agreement for the regulation of the production and export of rubber in and from producing countries, the International Rubber Regulation Committee appointed a Sub-Committee to consider the question of research into the uses of rubber and to prepare a scheme for research and propaganda which in their view the Committee would be justified in recommending to the different Governments. This Sub-Committee has formulated a Scheme which presupposes the formation of a Dutch Rubber Research Institute and a British Rubber Research Institute each controlling the funds derived from its own territories for the purposes of research and propaganda and also the formation of an International Rubber Research Board composed of the members of the Governing bodies of these two sister research organisations for the purposes of co-ordinating the programmes of the two institutes and effecting an exchange of all information and results obtained by them. The chief features of the Scheme are:-

for research

(i) that a British Rubber Research Board with its own staff and its own laboratory and equipment should be constituted in England under a suitable Director to carry on and centralise rubber research in that country and, also in collaboration with the Dutch Rubber Institute to centralise to a large extent similar research being carried on throughout the world,

(ii) that the management of the Board be vested in a Governing Board (body) consisting of

(a) four members to be appointed by the Colonial Office with the consent of and on behalf of the producing Colonies,

(b) two members of the Rubber Growers' Association,

and

and

(c) a representative of the French Government if the revenue derived from the French territory is ~~xax~~ entrusted to the administration of the British Rubber Research Board,

(iii) that this scheme should not be limited in its duration to the period of Regulation but should have a life of at least ten years, and

(iv) that a uniform cess of one penny per hundred pounds of rubber exported be imposed, in the first instance, which should, in so far as the amount collected in British territories is concerned, be controlled by the Governing body of the British Rubber Research Board;

for propaganda.

(i) that the Governing Body sitting in common Council with the Dutch Research Board as the International Research Board should determine once in each year what proportion of the proceeds of the cess levied in British, Dutch and French Territories is to be applied for propaganda,

(ii) that for the administration of the funds so set aside and for the control and direction of propaganda activities, a Committee should be constituted in the following manner -

Chairman - appointed by the International Rubber Research Board,

Two members - nominated by the Rubber Growers' Association,

Two members - nominated by the Dutch Research Board, and

One member - nominated by the French Government,

(iii) that this Committee should submit annually to the International Rubber Research Board a report of its activities and an account of its expenditure and such report should be forwarded by the International Rubber Research Board to the contracting Governments through the intermediary of the International Rubber Regulation Committee as long as that Committee remains constituted, and

(iv)

(iv) that a whole time officer should be placed under the Committee to deal exclusively with propaganda.

A copy of the Report of the Sub-Committee is enclosed.

2. The International Rubber Regulation Committee strongly recommend that the scheme of research and propaganda formulated by the Sub-Committee should be accepted by the Governments which are parties to the Restriction Scheme. They are also anxious that the proposed scheme should be brought into operation with effect from the 1st October 1935, if possible.

3. I am to observe in this connection that the principle that the industry should tax itself for meeting the cost of research and propaganda is not a new one. The export cesses on tea, cotton, etc. are based on this principle. The present proposal however differs from them in that while in those cases the administration of the cess fund is vested in an Indian Committee under the general superintendence and control of the Governor General in Council, in the present case the cess fund is proposed to be administered by the Governing body of the British Rubber Research Board in which India is not likely to be represented. Further, I am to observe that the proposed rubber cess must obviously be in addition to any other levies on exports of rubber which may exist at the present time.

4. It will be noticed that while the International Rubber Regulations Agreement is intended to run for a period of 5 years, of which one year is already passed, the Research Scheme is proposed to be continued for a period of 10 years. The observations made by the Sub-Committee in this connection are reproduced below:-

" *****a scheme limited in its duration to the period of Regulation would have contingently too short a life. If this research is worth initiating and carrying out it should be planned from the outset to extend over at least ten years, and it will be

impossible

impossible to recruit the scientific staff required unless the scheme provides some reasonable security of employment. While it would not be practicable to ask the Governments which are signatory to the International Rubber Regulation Agreement to undertake at this date to maintain a cess of any given amount for a period of ten years, we regard it as essential that they should bind themselves, irrespective of the fate of the Agreement to provide between them over a term of years the funds required for the salaries of the permanent members of the staff of the institute and its standing charges".

5. I am to request that the views of the Rubber producing industry in the Madras Presidency/Burma on the scheme in general and on the proposed rate of the cess and the duration of the scheme in particular may kindly be ascertained and furnished to the Government of India on or before the 20th of August next so as to enable them to undertake the necessary legislation, if required, during the forthcoming session of the legislature.

---:0:---

"C O P Y"

SUPERINTENDENT, RESIDENT'S OFFICE.

BJ

APPENDIX C(i).

A REPORT ON RESEARCH (AND PROPAGANDA) BY THE SUB-COMMITTEE APPOINTED BY THE INTERNATIONAL RUBBER REGULATION COMMITTEE AT THE MEETING HELD ON THE 29TH JANUARY 1935.

1. Our terms of reference were:-

"To consider the report of the Joint Committee of the Rubber Growers' Association and the Internationals, the note by Sir Frank Smith, the opinions expressed by members, any other documents available; and to prepare a scheme for research and propaganda, as contemplated by Article 19 of the Agreement, which in their view the Committee would be justified in recommending to the different Governments".

2. It is desirable for the sake of clarity that we should reproduce Article 19 of the Agreement on which any action by the International Rubber Regulations Committee will be based;-

"The contracting Governments, recognising that a natural balancing of production and consumption can be hastened by ~~xuas~~ research with a view to developing new applications and by propaganda, declare that they will conconsider the possibility of (i) levying and collecting a uniform cess on the net exports from their respective territories during the period of the Regulation for the purpose of supporting such research and propaganda, and (ii) co-operating in the constitution of an International Rubber Research Board to plan the research and propaganda. If the proposals specified in this article are put into operation, no financial contribution will be expected in respect of Sarawak or Siam".

3. The Agreement, contemplates, firstly, the collection of a uniform cess to be devoted to expenditure on research and propaganda, and, secondly, the constitution of an International Research Board. We believe it to be evident that in the minds of the signatories to the Agreement the two objects to be attained were closely connected; and the wording might be taken

as

as suggesting that any funds raised should be administered by the International Rubber Research Board.

4. Whether or not the signatory Governments contemplated this, a study of the report already presented to the International Rubber Regulation Committee by the Joint Committee set up by the Rubber Growers' Association and the Internationale Vereeniging Voor de Rubber suggests that the complete control of all funds, irrespective of the territory from which they were drawn, would not be accepted, and the Dutch members of this sub-committee have satisfied us that revenues derived from Dutch territory in the Far East must remain under Dutch control. Equally, it would, in our opinion, be politically impossible to hand over funds which will, in effect, be the produce of taxes imposed in British territory to an international organisation operating abroad. Our conclusion, therefore, is that it will not be possible to provide, whether or not this was contemplated by the Agreement, for a central rubber research institution domiciled either in England or in Holland. It does not follow, however, from this conclusion that it will be impossible to constitute an International Rubber Research Board. We believe that if the funds raised in Dutch territory are administered by a Dutch rubber research institute, and the funds raised in British territory (including if the French Government so desire, funds raised in French territory) by a British rubber research institute, the Governing bodies of these two institutes could meet at regular intervals to constitute an International Rubber Research Board, the functions of which would be, firstly, to co-ordinate by a distribution of research the programmes of the two institutes, and, secondly, to effect an exchange of all information and results obtained by the two institutes. In our opinion if collaboration on these lines can be achieved and we are not aware of any obstacle to this achievement the purposes contemplated by Article 19 of the International Agreement will be substantially fulfilled. Assuming that such collaboration can be effectively secured, we have proceeded to lay down in broad outline

outline the principles which should, in our opinion, govern the expenditure and administration of funds derived from British territory.

5. The first point which we desire to emphasise is that a British Rubber Research Board with its own staff and its own laboratory and equipment should be constituted. While it will doubtless be desirable from time to time to spend part of the funds available on what may be called extra-mural research, we are impressed by the desirability if real progress is to be made in the fundamental problems of rubber research with a limited amount of funds, of having one central institution which should centralise such research in this country, and could also, in collaboration with the Dutch institute to a large extent centralise similar research being carried on throughout the world.

6. The success or failure of this institute will depend almost entirely on the competence and personality of the director. We cannot better express our views on this aspect than by quoting and endorsing the concluding words of Sir Frank Smith's memorandum of the 28th January last:-

> "A first-class man is essential, and in this connection it is important to bear in mind that scientific qualifications alone will not suffice. The director of a considerable research undertaking must of necessity be a man of affairs and one who can exercise sound judgment on matters of policy as distinct from those requiring only scientific determination".

7. This sub-committee is not competent to do more than frame the broad outlines of a scheme, and we suggest that if our recommendations are accepted the first step for the Governments of the British territories to take will be to find and appoint a suitable director at an adequate salary for a term of years, and entrust him with the task of filling in the outline which we hope to have supplied.

8. The question how the institute and its funds are to be administered is equally important. Given the source of these funds we believe that their employment and ultimate control should be in the hands of persons appointed to represent the producing territories. At the same time, the functions of the Board, which must be responsible for the working of the institute, must obviously to some extent govern its character. We believe that the efficiency of the institute's scientific work will be advanced, and responsibility for the expenditure of public funds safeguarded, if the governing Board consists of four members appointed by the Colonial Office with the consent of and on behalf of the producing colonies, and two members of the Rubbers Growers' Association. We would suggest that the members appointed by the Colonial Office should include two persons conversant with physical and chemical problems from a scientific point of view, one conversant with the administration of scientific research schemes, and the remaining member might, with advantage, be some one possessed of admitted business and administrative capacity and experience. It is, we think, not necessary to emphasise either the advantage or the propriety of having two members of the Board appointed by the Rubber Growers' Association.

9. We hope that it will be possible to set up a strong Board of this character. While frequent meetings are not likely to be essential, the Board will provide experience and a wide scientific outlook which should be of great advantage to the scheme and to the director. The director would not be a member of the Board, but would normally attend all its meetings. While it would be the duty of the director to maintain continuous contact with the director of the Dutch institute with a view to co-ordination of effort, the governing bodies of the two institutes should meet for the same purpose at least once a year, perhaps alternatively in Holland and in this country as an International Rubber Research Board.

10. It would be the duty of this International Research Board

Board annually to present, through the intermediary of the International Rubber Regulation Committee, so long as that body remains constituted, a joint report of the post year's operations together with a comprehensive budget for the coming year.

11. Careful consideration would have to be given as to the form in which the British Rubber Research Board is legally constituted so as to enable it to hold property either in the shape of buildings, cash or patents arising from its work and be able without further question to dispose of such properties.

12. We have discussed the questions submitted to our examination with various representatives of the manufacturing industry, and we are satisfied on two points. The first is that there is no reason to apprehend that the kind of institute which we contemplate will overlap with the research organisations maintained by manufacturers, if only because it is agreed on all hands that fundamental research into the physical and chemical properties of rubber, on the results of which the future of the industry may largely be dependent will not be carried out by any existing organisation with the funds available to them or in contemplation from present sources. The second is that manufacturers may be expected to co-operate with the institute both in the formulation of policies and the testing of results. We believe that that collaboration can be best obtained, not by appointing a representative of the manufacturing interests to the governing Board, but by the institution of an advisory committee representative of those interests, and available for consultation with the governing Board and the director of research.

13. Before we leave this object we should add that if the revenue derived from French territory is entrusted to the administration of the British Research Board it is desirable and proper that a French member should be invited to join that Board.

14. Turning to the question of finance we desire to endorse an opinion which has already been expressed by the International

Rubber

Rubber Regulation Committee that a scheme limited in its duration to the period of Regulation would have contingently too short a life. If this research is worth initiating and carrying out it should be planned from the outset to extend over at least ten years, and it will be impossible to recruit the scientific staff required unless the scheme provides some reasonable security of employment. While it would not be practicable to ask the Governments which are signatory to the International Rubber Regulation Agreement to undertake at this date to maintain a cess of any given amount for a period of ten years, we regard it as essential that they should bind themselves, irrespective of the fate of the Agreement, to provide between them over a term of years the funds required for the salaries of the permanent members of the staff of the institute and its standing charges.

15. We suggest that the uniform cess should in the first instance, at any rate, be at the rate of one penny on every hundred pounds of rubber exported. At the present time this cess would produce with a 75% quota (in round figures) £45,000 in British territories, £2,000 in French Indo-China, and £28,000 in the Netherlands East Indies, and with a 70% quota £42,000, £1,750 and £26,000 respectively, or totals of £75,000 with a 75% quota, and £70,000 with a 70% quota. The evidence put before the Committee and the sub-committee all goes to suggest that a thorough research and propaganda scheme would require annual funds in the neighbourhood of £100,000. We believe that in present circumstances a higher cess than we have suggested would be burdensome. Moreover if it is imposed as soon as the scheme is accepted it should be possible in the first two years to meet out of it capital expenditure on buildings and equipment, and even perhaps to constitute some small reserve available in later years, since full expenditure will not be incurred until the scheme has been in operation for some time. The work to be carried out by the British Research Board will be determined by the amount of funds at its own disposal, but in

considering

considering the adequateness of funds, it is essential that regards should be had to the total available to both the British and the Dutch institutes. The amounts which they respectively command must determine the co-ordinating distribution of work between them. The cess should be capable of adjustment within limits in accordance with the needs of the scheme both upwards and downwards in consonance with advice tendered by the International Board formed by the two research Boards meeting in common council.

16. At the present time various research activities are being conducted by the Rubber Growers' Association, these being financed mainly by funds provided by the Government of the Federated Malay States. If our recommendations for placing British Research under one unified centre of control are accepted, then in consonance with these recommendations it would seem that as soon as it is deemed practicable, the research activities of the Rubber Growers' Association should be merged into that of the proposed new institute and that the authorities controlling this institute should have full power to modify, terminate, or continue, as they think fit, the programme of research work then being conducted by the Rubber Growers' Association. Our recommendations provide for the appointment by the Rubber Growers' Association of two nominees to the Board of the proposed new institute. The exercise of this provision should carry with it the Rubber Growers' Association's free and willing consent to the transference of their research activities and the acceptance by their nominees of seats on the Board of the proposed new institute should imply a readiness to facilitate and assist in the unification of the research activities now under review. It would be understood, of course, that the new institute on taking over the Rubber Growers' Association's research activities would receive the unspent balance of any monies contributed to the Rubber Growers' Association for research by any of the contributing Governments. At the same time, the new institute would acknowledge and undertake the due fulfilment of all outstanding contractual obligations.

17.

17. As regards the funds which the Governments of Malaya or any other of the contracting Governments have undertaken to contribute to research conducted by the Rubber Growers' Association, we suggest that it would be a graceful acknowledgment of these Governments' past generosity if it were agreed that the proceeds of the agreed uniform cess would be accepted as a fulfilment of these Governments' promises and that they should not in virtue of past promises be called upon to contribute twice to the same purpose.

18. In the above we have confined ourselves, as it was expected we should, to the question of research. Article 19 of the Inter-Governmental Agreement for the regulation of rubber supplies as quoted in paragraph 2 of this report links research and propaganda together and postulates a position under which funds for both these activities are to be derived from one uniform cess. It seems to your Committee that apart from this common financial interest, the two activities are diverse in character and that the organisation suited for research is not necessarily the one best adapted for the conduct of propaganda. Your Committee are of opinion that this situation can best be met in the following manner:-

(a) There should be a clear recognition that any funds which are derived from a cess levied in British territory in the manner provided by Article 19 must be put under the control of the authority constituted and appointed in the manner indicated in paragraphs 5, 8 and 9 of this report; that this authority sitting in common council with the Dutch research Board as the International Research Board mentioned in paragraph 4 of this report, should determine once in each year what proportion of the proceeds of the cess levied in British, Dutch and French territories is to be applied for propaganda.

(b)

(b) For the administration of the funds so set aside and for the control and direction of propaganda activities a Committee should be constituted in the following manner:-

Chairman appointed by the International Rubber Research Board.

Two members nominated by the Rubber Growers' Association.

Two members by the Dutch Research Board and one member by the French Government.

(c) That a whole time Officer should be placed under this - Committee to deal exclusively with propaganda.

(d) The Propaganda Committee as constituted in (b) herewith would submit annually to the International Rubber Research Board a report of its activities and an account of its expenditure, and such report should be forwarded by the International Rubber Research Board to the contracting Governments through the intermediary of the International Rubber Regulation Committee as long as that Committee remains constituted

19. Without in any way seeking to fetter the judgment of those upon whom the responsibility is to be placed for apportioning the funds as between research and propaganda, this Committee think it well to indicate that as far as they can judge the position at this stage, they are of opinion that one-fifth of the funds available from all sources should be earmarked for propaganda and that if at a later stage the functions of endeavouring to sell or market the findings of researc are transferred to the propaganda section, then that proportion should be increased.

20. The recommendations which we make regarding research

activities

activities and existing funds as contained in paragraph 16 and 17 should "mutatis mutandis" apply also to existing propaganda funds and activities.

21. The Dutch members of this sub-committee in signing this report desire to make it plain that their concurrence in its terms relates only to that part which deals with matters of joint interest, and that they naturally refrained from expressing a judgment on those more purely British matters with which they did not feel themselves concerned. They also desired to add for the information of the International Rubber Regulation Committee that a Dutch Rubber Research Institution which it is proposed to provide with funds from the suggested cess is already in existence.

SIGNED: ANDREW McFADYEAN

D. BOLDERHEY

L.P. LE COSQUINODE BUSSY

J. G. HAY

A. L. HETHERINGTON

H. ERIC MILLER.

18th March 1935.

"C o p y"

SUPERINTENDENT, RESIDENT'S OFFICE.

A

Letter from the Government of India, Department of Commerce, to the Government of Madras and Burma, No.135-G(I.E.R.), dated the 18th July 1935.

---:O:---

RUBBER RESEARCH SCHEME.

I am directed to say that with reference to the provisions of Article 19 of the Inter-Governmental Agreement for the regulation of the production and export of rubber in and from producing countries, the International Rubber Regulation Committee appointed a Sub-Committee to consider the question of research into the uses of rubber and to prepare a scheme for research and propaganda which in their view the Committee would be justified in recommending to the different Governments. This Sub-Committee has formulated a Scheme which presupposes the formation of a Dutch Rubber Research Institute and a British Rubber Research Institute each controlling the funds derived from its own territories for the purposes of research and propaganda, and also the formation of an International Rubber Research Board composed of the members of the Governing bodie of these two sister research organisations for the purposes of co-ordinating the programmes of the two institutes and effecting an exchange of all information and results obtained by them. The chief features of the Scheme are:-

for research

(i) that a British Rubber Research Board with its own staff and its own laboratory and equipment should be constituted in England under a suitable Director to carry on and centralise rubber research in that country and, also in collaboration with the Dutch Rubber Institute to centralise to a large extent similar research being carried on throughout the world,

(ii) that the management of the Board be vested in a Governing Board (body) consisting of

(a) four members to be appointed by the Colonial Office with the consent of and on behalf of the producing Colonies,

(b) two members of the Rubber Growers' Association,

and

and

(c) a representative of the French Government if the revenue derived from the French territory is ~~xax~~ entrusted to the administration of the British Rubber Research Board,

(iii) that this scheme should not be limited in its duration to the period of Regulation but should have a life of at least ten years, and

(iv) that a uniform cess of one penny per hundred pounds of rubber exported be imposed, in the first instance, which should, in so far as the amount collected in British territories is concerned, be controlled by the Governing body of the British Rubber Research Board;

for propaganda.

(i) that the Governing Body sitting in common Council with the Dutch Research Board as the International Research Board should determine once in each year what proportion of the proceeds of the cess levied in British, Dutch and French Territories is to be applied for propaganda,

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Two members - nominated by the Rubber Growers' Association,

Two members - nominated by the Dutch Research Board, and

One member - nominated by the French Government,

(iii) that this Committee should submit annually to the International Rubber Research Board a report of its activities and an account of its expenditure and such report should be forwarded by the International Rubber Research Board to the contracting Governments through the intermediary of the International Rubber Regulation Committee as long as that Committee remains constituted, and

(iv)

(iv) that a whole time officer should be placed under the Committee to deal exclusively with propaganda.

A copy of the Report of the Sub-Committee is enclosed.

2. The International Rubber Regulation Committee strongly recommend that the scheme of research and propaganda formulated by the Sub-Committee should be accepted by the Governments which are parties to the Restriction Scheme. They are also anxious that the proposed scheme should be brought into operation with effect from the 1st October 1935, if possible.

3. I am to observe in this connection that the principle that the industry should tax itself for meeting the cost of research and propaganda is not a new one. The export cesses on tea, cotton, etc. are based on this principle. The present proposal however differs from them in that while in those cases the administration of the cess fund is vested in an Indian Committee under the general superintendence and control of the Governor General in Council, in the present case the cess fund is proposed to be administered by the Governing body of the British Rubber Research Board in which India is not likely to be represented. Further, I am to observe that the proposed rubber cess must obviously be in addition to any other levies on exports of rubber which may exist at the present time.

4. It will be noticed that while the International Rubber Regulation Agreement is intended to run for a period of 5 years, of which one year is already passed, the Research Scheme is proposed to be continued for a period of 10 years. The observations made by the Sub-Committee in this connection are reproduced below:-

" *****a scheme limited in its duration to the period of Regulation would have contingently too short a life. If this research is worth initiating and carrying out it should be planned from the outset to extend over at least ten years, and it will be

impossible

impossible to recruit the scientific staff required unless the scheme provides some reasonable security of employment. While it would not be practicable to ask the Governments which are signatory to the International Rubber Regulation Agreement to undertake at this date to maintain a cess of any given amount for a period of ten years, we regard it as essential that they should bind themselves, irrespective of the fate of the Agreement to provide between them over a term of years the funds required for the salaries of the permanent members of the staff of the institute and its standing charges".

5. I am to request that the views of the Rubber producing industry in the Madras Presidency/Burma on the scheme in general and on the proposed rate of the cess and the duration of the scheme in particular may kindly be ascertained and furnished to the Government of India on or before the 20th of August next so as to enable them to undertake the necessary legislation, if required, during the forthcoming session of the legislature.

---:O:---

"C O P Y"

SUPERINTENDENT, RESIDENT'S OFFICE.

BJ

APPENDIX C(i).

A REPORT ON RESEARCH (AND PROPAGANDA) BY THE SUB-COMMITTEE APPOINTED BY THE INTERNATIONAL RUBBER REGULATION COMMITTEE AT THE MEETING HELD ON THE 29TH JANUARY 1935.

1. Our terms of reference were:-

"To consider the report of the Joint Committee of the Rubber Growers' Association and the Internationals, the note by Sir Frank Smith, the opinions expressed by members, any other documents available; and to prepare a scheme for research and propaganda, as contemplated by Article 19 of the Agreement, which in their view the Committee would be justified in recommending to the different Governments".

2. It is desirable for the sake of clarity that we should reproduce Article 19 of the Agreement on which any action by the International Rubber Regulations Committee will be based;-

"The contracting Governments, recognising that a natural balancing of production and consumption can be hastened by research with a view to developing new applications and by propaganda, declare that they will conconsider the possibility of (i) levying and collecting a uniform cess on the net exports from their respective territories during the period of the Regulation for the purpose of supporting such research and propaganda, and (ii) co-operating in the constitution of an International Rubber Research Board to plan the research and propaganda. If the proposals specified in this article are put into operation, no financial contribution will be expected in respect of Sarawak or Siam".

3. The Agreement, contemplates, firstly, the collection of a uniform cess to be devoted to expenditure on research and propaganda, and, secondly, the constitution of an International

as suggesting that any funds raised should be administered by the International Rubber Research Board.

4. Whether or not the signatory Governments contemplated this, a study of the report already presented to the International Rubber Regulation Committee by the Joint Committee set up by the Rubber Growers' Association and the Internationale Vereoniging Voor de Rubber suggests that the complete control of all funds, irrespective of the territory from which they were drawn, would not be accepted, and the Dutch members of this sub-committee have satisfied us that revenues derived from Dutch territory in the Far East must remain under Dutch control. Equally, it would, in our opinion, be politically impossible to hand over funds which will, in effect, be the produce of taxes imposed in British territory to an international organisation operating abroad. Our conclusion, therefore, is that it will not be possible to provide, whether or not this was contemplated by the Agreement, for a central rubber research institution domiciled either in England or in Holland. It does not follow, however, from this conclusion that it will be impossible to constitute an International Rubber Research Board. We believe that if the funds raised in Dutch territory are administered by a Dutch rubber research institute, and the funds raised in British territory (including if the French Government so desire, funds raised in French territory) by a British rubber research institute, the Governing bodies of these two institutes could meet at regular intervals to constitute an International Rubber Research Board, the functions of which would be, firstly, to co-ordinate by a distribution of research the programmes of the two institutes, and, secondly, to effect an exchange of all information and results obtained by the two institutes. In our opinion if collaboration on these lines can be achieved and we are not aware of any obstacle to this achievement the purposes contemplated by Article 19 of the International Agreement will be sub-

2M

outline the principles which should, in our opinion, govern the expenditure and administration of funds derived from British territory.

5. The first point which we desire to emphasise is that a British Rubber Research Board with its own staff and its own laboratory and equipment should be constituted. While it will doubtless be desirable from time to time to spend part of the funds available on what may be called extra-mural research, we are impressed by the desirability if real progress is to be made in the fundamental problems of rubber research with a limited amount of funds, of having one central institution which should centralis such research in this country, and could also, in collaboration with the Dutch institute to a large extent centralise similar research being carried on throughout the world.

6. The success or failure of this institute will depend almost entirely on the competence and personality of the director. We cannot better express our views on this aspect than by quoting and endorsing the concluding words of Sir Frank Smith's memorandum of the 28th January last:-

> "A first-class man is essential, and in this connection it is important to bear in mind that scientific qualifications alone will not suffice. The director of a considerable research undertaking must of necessity be a man of affairs and one who can exercise sound judgment on matters of policy as distinct from those requiring only scientific determination".

7. This sub-committee is not competent to do more than frame the broad outlines of a scheme, and we suggest that if our recommendations are accepted the first step for the Governments of the British territories to take will be to find and appoint a suitable director at an adequate salary for a term of years, and entrust him with the task of filling in the outline which we hope to have supplied.

8. The question how the institute and its funds are to be administered is equally important. Given the source of these funds we believe that their employment and ultimate control should be in the hands of persons appointed to represent the producing territories. At the same time, the functions of the Board, which must be responsible for the working of the institute, must obviously to some extent govern its character. We believe that the efficiency of the institute's scientific work will be advanced, and responsibility for the expenditure of public funds safeguarded, if the governing Board consists of four members appointed by the Colonial Office with the consent of and on behalf of the producing colonies, and two members of the Rubbers Growers' Association. We would suggest that the members appointed by the Colonial Office should include two persons conversant with physical and chemical problems from a scientific point of view, one conversant with the administration of scientific research schemes, and the remaining member might, with advantage, be some one possessed of admitted business and administrative capacity and experience. It is, we think, not necessary to emphasise either the advantage or the propriety of having two members of the Board appointed by the Rubber Growers' Association.

9. We hope that it will be possible to set up a strong Board of this character. While frequent meetings are not likely to be essential, the Board will provide experience and a wide scientific outlook which should be of great advantage to the scheme and to the director. The director would not be a member of the Board, but would normally attend all its meetings. While it would be the duty of the director to maintain continuous contact with the director of the Dutch institute with a view to co-ordination of effort, the governing bodies of the two institutes should meet for the same purpose at least once a year, perhaps alternatively

Board annually to present, through the intermediary of the International Rubber Regulation Committee, so long as that body remains constituted, a joint report of the post year's operations together with a comprehensive budget for the coming year.

11. Careful consideration would have to be given as to the form in which the British Rubber Research Board is legally constituted so as to enable it to hold property either in the shape of buildings, cash or patents arising from its work and be able without further question to dispose of such properties.

12. We have discussed the questions submitted to our examination with various representatives of the manufacturing industry, and we are satisfied on two points. The first is that there is no reason to apprehend that the kind of institute which we contemplate will overlap with the research organisations maintained by manufacturers, if only because it is agreed on all hands that fundamental research into the physical and chemical properties of rubber, on the results of which the future of the industry may largely be dependent will not be carried out by any existing organisation with the funds available to them or in contemplation from present sources. The second is that manufacturers may be expected to co-operate with the institute both in the formulation of policies and the testing of results. We believe that that collaboration can be best obtained, not by appointing a representative of the manufacturing interests to the governing Board, but by the institution of an advisory committee representative of those interests, and available for consultation with the governing Board and the director of research.

13. Before we leave this object we should add that if the revenue derived from French territory is entrusted to the administration of the British Research Board it is desirable and proper that a French member should be invited to join that Board.

27

Rubber Regulation Committee that a scheme limited in its duration to the period of Regulation would have contingently too short a life. If this research is worth initiating and carrying out it should be planned from the outset to extend over at least ten years, and it will be impossible to recruit the scientific staff required unless the scheme provides some reasonable security of employment. While it would not be practicable to ask the Governments which are signatory to the International Rubber Regulation Agreement to undertake at this date to maintain a cess of any given amount for a period of ten years, we regard it as essential that they should bind themselves, irrespective of the fate of the Agreement, to provide between them over a term of years the funds required for the salaries of the permanent members of the staff of the institute and its standing charges.

15. We suggest that the uniform cess should in the first instance, at any rate, be at the rate of one penny on every hundred pounds of rubber exported. At the present time this cess would produce with a 75% quota (in round figures) £45,000 in British territories, £2,000 in French Indo-China, and £28,000 in the Netherlands East Indies, and with a 70% quota £42,000, £1,750 and £26,000 respectively, or totals of £75,000 with a 75% quota, and £70,000 with a 70% quota. The evidence put before the Committee and the sub-committee all goes to suggest that a thorough research and propaganda scheme would require annual funds in the neighbourhood of £100,000. We believe that in present circumstances a higher cess than we have suggested would be burdensome. Moreover if it is imposed as soon as the scheme is accepted it should be possible in the first two years to meet out of it capital expenditure on buildings and equipment, and even perhaps to constitute some small reserve available in later years, since full expenditure will not be incurred until the scheme has been in operation for some time. The work to be carried out by the British Research Board will be determined by the amount of funds at its own disposal, but in

considering the adequateness of funds, it is essential that regards should be had to the total available to both the British and the Dutch institutes. The amounts which they respectively command must determine the co-ordinating distribution of work between them. The cess should be capable of adjustment within limits in accordance with the needs of the scheme both upwards and downwards in consonance with advice tendered by the International Board formed by the two research Boards meeting in common council.

16. At the present time various research activities are being conducted by the Rubber Growers' Association, these being financed mainly by funds x provided by the Government of the Federated Malay States. If our recommendations for placing British Research under one unified centre of control are accepted, then in consonance with these recommendations it would seem that as soon as it is deemed practicable, the research activities of the Rubber Growers' Association should be merged into that of the proposed new institute and that the authorities controlling this institute should have full power to modify, terminate, or continue, as they think fit, the programme of research work then being conducted by the Rubber Growers' Association. Our recommendations provide for the appointment by the Rubber Growers' Association of two nominees to the Board of the proposed new institute. The exercise of this provision should carry with it the Rubber Growers' Association's free and willing consent to the transference of their research activities and the acceptance by their nominees of seats on the Board of the proposed new institute should imply a readiness to facilitate and assist in the unification of the research activities now under review. It would be understood, of course, that the new institute on taking over the Rubber Growers' Association's research activities would receive the unspent balance of any monies contributed to the Rubber Growers' Association for research by any of the contributing Governments at the same time the new institute would

17. As regards the funds which the Governments of Malaya or any other of the contracting Governments have undertaken to contribute to research conducted by the Rubber Growers' Association, we suggest that it would be a graceful acknowledgment of these Governments' past generosity if it were agreed that the proceeds of the agreed uniform cess would be accepted as a fulfilment of these Governments' promises and that they should not in virtue of past promises be called upon to contribute twice to the same purpose.

18. In the above we have confined ourselves, as it was expected we should, to the question of research. Article 19 of the Inter-Governmental Agreement for the regulation of rubber supplies as quoted in paragraph 2 of this report links research and propaganda together and postulates a position under which funds for both these activities are to be derived from one uniform cess. It seems to your Committee that apart from this common financial interest, the two activities are diverse in character and that the organisation suited for research is not necessarily the one best adapted for the conduct of propaganda. Your Committee are of opinion that this situation can best be met in the following manner:-

(a) There should be a clear recognition that any funds which are derived from a cess levied in British territory in the manner provided by Article 19 must be put under the control of the authority constituted and appointed in the manner indicated in paragraphs 5, 8 and 9 of this report; that this authority sitting in common council with the Dutch research Board as the International Research Board mentioned in paragraph 4 of this report, should determine once in each year what proportion of the proceeds of the cess levied in British, Dutch and French territories is to be applied for propaganda.

(b) For the administration of the funds so set aside and for the control and direction of propaganda activities a Committee should be constituted in the following manner:-

Chairman appointed by the International Rubber Research Board.

Two members nominated by the Rubber Growers' Association.

Two members by the Dutch Research Board and one member by the French Government.

(c) That a whole time Officer should be placed under this Committee to deal exclusively with propaganda.

(d) The Propaganda Committee as constituted in (b) herewith would submit annually to the International Rubber Research Board a report of its activities and an account of its expenditure, and such report should be forwarded by the International Rubber Research Board to the contracting Governments through the intermediary of the International Rubber Regulation Committee as long as that Committee remains constituted.

19. Without in any way seeking to fetter the judgment of those upon whom the responsibility is to be placed for apportioning the funds as between research and propaganda, this Committee think it well to indicate that as far as they can judge the position at this stage, they are of opinion that one-fifth of the funds available from all sources should be earmarked for propaganda and that if at a later stage the functions of endeavouring to sell or market the findings of research are transferred to the propaganda section, then that proportion should be increased.

20. The recommendations which we make regarding research activities

activities and existing funds as contained in paragraph 16 and 17 should "mutatis mutandis" apply also to existing propaganda funds and activities.

21. The Dutch members of this sub-committee in signing this report desire to make it plain that their concurrence in its terms relates only to that part which deals with matters of joint interest, and that they naturally refrained from expressing a judgment on those more purely British matters with which they did not feel themselves concerned. They also desired to add for the information of the International Rubber Regulation Committee that a Dutch Rubber Research Institution which it is proposed to provide with funds from the suggested cess is already in existence.

SIGNED: ANDREW McFADYEAN

D. BOLDERHEY

L.P. LE COSQUINODE BUSSY

J. G. HAY

A. L. HETHERINGTON

H. ERIC MILLER.

18th March 1935.

"C o p y"

SUPERINTENDENT, RESIDENT'S OFFICE.

A

Ptc 34-35-2

Pol. 184 A 8/8/35

The Secretary to the

Hon'ble the Resident in Mysore;

Bangalore.

Sir,

Adverting to your letter No.F.950/35/R.O.II dated the 29th July 1935 calling for the views of ~~this~~ His Highness' Government on the proposed scheme of rubber research in general and the levy of the export cess and the duration of the scheme in particular, I am directed to state that the total area under rubber in the State is only 586 acres, and there has been no expansion in recent years. So far as they are aware, there are very few planters in the State participating in the Export Quota. Moreover, Mysore being a landlocked state, any cess or duty levied in British India will apply to exports from Mysore.

In these circumstances, this Government have no particular views to express ~~any opinion on~~ above the proposed research scheme and the levy of the cess. We take it Cess proposed appears Not excessive

I have the honour to be,
Sir,
Your most obedient servant,

DRAFT).

Secretary to Government,
Development Department.

vvk.1.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 8/8/35 193...

No. Pol. 184

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Secretary to the Hon'ble the Resident in Mysore,
Bangalore.

Sir,

Adverting to your letter No. F.950/35/R.O.II dated the 29th July 1935 calling for the views of His Highness' Government on the proposed scheme of rubber research in general and the levy of the export cess and the duration of the scheme in particular, I am directed to state that the total area under rubber in the State is only 586 acres, and there has been no expansion in recent years. So far as the Government are aware, there are very few planters in the State participating in the Export Quota. Moreover, Mysore being a landlocked State, any cess or duty levied in British India will apply to exports from Mysore.

In these circumstances, this Government have no particular opinion to express about the proposed research scheme and the levy of the cess. The rate of cess proposed appears to be not excessive.

I have the honour to be.
Sir,
Your most obedient servant,

Secretary to Government,
Development Department.

10/8/35

9tc-34-35-3

Pol. 206

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

No. F.215-35
R.O. II

34
65
10 AUG. 1935
DEVELOPMENT BRANCH

FROM

Major C. G. N. Edwards, I.A.,

SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department.

Dated Bangalore, 9th August *1935*.

Subject.

RUBBER RESTRICTION SCHEME.

SIR,

I am directed to say that the International Rubber Regulation Committee desire to be furnished with copies of all Notifications, Rules, Notices etc., relating to the Rubber Restriction Scheme. I am accordingly to request that if there is no objection, six copies of all such notifications etc., which have so far been issued by the Government of Mysore may kindly be supplied to this Residency at an early date for transmission to the Committee in London.

2. I am to add that the same number of copies of all such documents which may be issued in future may also be supplied to this Residency as soon as they are issued.

I have the honour to be,

Sir,

Your most obedient servant,

for SECRETARY TO THE RESIDENT.

BJ

Appendix F G—1]

35

SUBJECT .....

.....

.....

Section 2 C

File No. 3 4 - 35

Serial No. 4

Diary No. of letter replied to .....: .....

General and Revenue Secretariat

( )

the 198

Date of issue 5/9/35

Signed by .....

List of enclosures .....

Copied by .....

Examined by.....

No. Pol 2172 9/6

To The Secy to the Hon'ble the Resident in Mysore

Sir,

Adverting to your letter No F215-35/R.O. 11 dated the 9th Aug 35 requesting that six copies of each of the notifications issued by this Govt relating to the Rubber Restriction Scheme, may be forwarded to the Residency for transmission to the International Rubber Regulation Committee, I am directed to state that ~~copies~~ no notifications have been issued by this Govt so far in addition to those ~~sent with your letter~~ and that six copies of the notifications specified in the Mysore Gazette except the republication of the notification regarding the fixation of the price of rubber are enclosed herewith.

Yo

and when same will be forwarded to the Residency as desired in Para 2 of the letter referred to above.

~~Kindly is also drawn to this connection to the~~ I have etc

~~Secretary No. R+O~~

Dewsap

22/8

Dewsap

Memo

Copy of the above is forwarded with Compliments to the Director Intelligence.

R+O

22/8

Dewsap

Sir,

With ref. to your letter No. F-215/35-R+O II Dated 9-8-35 re: the Rubber Restriction scheme I am directed to forward herewith 6 copies of the Copy of the Resolution of the Govt of India on the subject dated 26-5-34 republished in the Supplementary Gazette as desired and to state that no other notifications have been issued on the subject. The contents of the 2 paras of your letter under reference are also noted.

I have etc.

Dewsap 22/8

PRINTING SECTION SEP. 1936 SECTT.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 4th Septr. 1935

No. Pol. 272 &6

From

M. Venkatanaranappa, Esq., B.A.
Secretary to the Government of His Highness
the Maharaja of Mysore.

To

The Secretary to the Hon'ble the Resident in Mysore,
Bangalore.

Sir,

With reference to your letter No. F.215-35/R.O. II dated 8th August 1935 regarding the Rubber Restriction Scheme, I am directed to forward herewith 6 copies of the copy of the Resolution of the Government of India dated 26th May 1934 on the subject, republished in the Mysore Gazette, as desired and to state that no other notifications have been issued by the Government on the subject. The contents of the 2nd para of your letter under advertance are also noted.

I have the honour to be,
Sir,
Your most obedient servant,

Secretary to Government,
Development Department.

Appendix F. G.–1]

SUBJECT

Section. Dpt

File No. 34-35

Serial No.

Diary No. of letter replied to

No.

To

The Secy to the Resident

General and Revenue Secretariat.

( )

the *193* .

Sir

Adverting to your letter No F.

Date of issue

950-35/ R.O.11 dated 29/7/35

Signed by

calling for the views of this Govt on the

~~Scheme of rubber research~~ levy of assessment on the duty of export and the proposed ~~tax of~~ cess and for a period of 10 years ~~the duration of the scheme of~~ ~~Rubber research in particulars~~ I

am directed to state that, as the area

under rubber in the State is only 586

acres ~~and there has been no expansion~~

~~in recent years resulting in being~~

~~of rubber for export~~

~~little production~~ Govt

So far as they are aware, there are very few planters in the State participating in the ~~scheme~~ export duty

proposed scheme of Rubber research in general & the levy of the Export cess and the duration of the scheme in particular I am directed to state that the total area under rubber in the State is only 586 acres, and there has been no expansion in recent years. Govt do not wish to express any opinion on the proposed Research scheme & the levy of the cess.

I have &c.

List of enclosures

Copied by

Examined by

Secy to Govt

Dy Depth

3

propose
do not ~~seek~~ to levy any tax
on the ~~import~~ export of rubber however
in the State.

I have etc

Dudley

CONFIDENTIAL.

All Communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

No. F.950-35
R.O.II

1962

SECRETARIAT ... DEVELOPMENT BRANCH 15110

FROM

Major C.G.N. Edwards, I.A.,
SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

Ge. 34-35-5

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department.

Dated, Bangalore, the 23rd October *193* 5.

OFFICE OF THE SECOND MEMBER OF COUNCIL. 29 OCT. 1935 No. 3125

Subject.

REVISED RUBBER QUOTAS.

SIR,

With reference to the correspondence ending with your letter No.Pol.184/I & C.34-35-2, dated the 8th August 1935,

I am directed to forward for information a copy of the communications noted in the margin.

1. Express letter from the Government of India in the Commerce Department to the Controller, India Rubber Licensing Committee and the Government of Burma, No.104-G (I.E.R.) (2), dated the 17th August 1935.
2. Telegram from the Government of India in the Commerce Department to the Controller, India Rubber Licensing Committee and the Government of Burma, No.104-G(I.E.R.), dated the 3rd September 1935.
3. Letter from the Government of India in the Commerce Department to the Controller, India Rubber Licensing Committee and the Government of Burma, No.104-G(I.E.R.), dated the 4th September 1935 with enclosures.

I have the honour to be,
Sir,
Your most obedient servant,

for SECRETARY TO THE RESIDENT.

KRS.

Copy of an express letter No.104-G(I.E.R.) (2), dated Simla, the 17th August 1935, from the Offg. Assistant Secretary to the Government of India in the Commerce Department, to the Controller Indian Rubber Licensing Committee, Malankara Buildings, Kottayam, Travancore; and the Secretary to the Government of Burma, Revenue Department.

- - - -

Your telegram dated August 8th.

Revised rubber basic quota. Contracting parties to inter-governmental Agreement have accepted principle of India's and Burma's claims to increased quotas. Increase will be provided for in Protocol signed on behalf of contracting parties. Delay in execution of formal Protocol due to necessity for consent of Peoples Assembly, Siam thereto, It is however anticipated that no difficulty will arise and that Protocol will be signed shortly or in event of further delay that Process-Verbal will be executed enhancing India and Burma quotas provisionally pending formal assent of Peoples Assembly.

- - - - - - -

Copy of a telegram No.104-G(I.E.R.), dated Simla, the 3rd September 1935, from the Secretary to the Government of India, Department of Commerce, to the Controller, Indian Rubber Licensing Committee, Malankara Buildings, Kottayam, Travancore; and the Secretary to the Government of Burma, Revenue Department, Rangoon.

- - - -

My telegram 104-G(I.E.R.), August 28th.

Revised rubber quotas. Process Verbal enhancing India's quota provisionally signed on 28th August. Texts of Process Verbal and Protocol posted today.

"C o p y"

SUPERINTENDENT, RESIDENT'S OFFICE.

KRS.

Copy of a letter No.104-G(I.E.R.), dated Simla, the 4th September 1935, from Offg: Assistant Secretary to the Government of India, Department of Commerce, to the Controller, Indian Rubber Licensing Committee, Malankara Buildings, Kottayam, Travancore; and the Secretary to the Government of Burma, Revenue Department, Rangoon.

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REVISED RUBBER QUOTAS.

- - -

In continuation of the telegram from this Department, No.104-G(I.E.R.), dated the 3rd September 1935, on the above subject, I am directed to forward for your information, a copy of the papers noted in the margin. The Process-Verbal has been signed by the plenipotentiary of the Government of Siam subject to the words "The representative of Royal Siamese Government signs present Process-Verbal on the express understanding that so far as Siam is concerned the second Protocol shall be subject to approval of Assembly of People's Representatives". These, however, only repeat the first sentence of third paragraph of Process-Verbal and add nothing new.

1. Process-Verbal.
2. Protocol.

"C O P Y"

SUPERINTENDENT, RESIDENT'S OFFICE.

KRS.

KRS.

Process-verbal.

The plenipotentiaries of the Government of the French Republic, of the Government of the United Kingdom of Great Britain and Northern Ireland, of the Government of India, of the Government of the Netherlands and of the Government of Siam;

Having met together in London for the purpose of the signature of the annexed Protocol relating to the basic quotas to be allotted to India and Burma:

The plenipotentiary of the Government of Siam stated that for purely constitutional reasons he was only in a position to sign the annexed Protocol subject to the approval by the Siamese Assembly of the People's Representatives of the basic quotas for India and Burma. In the circumstances the plenipotentiaries agreed to defer the signature of the annexed Protocol until the Siamese Government were in a position to notify the Government of the United Kingdom that this approval had been obtained. It was agreed, however, that the said Protocol should be regarded as coming into force provisionally and should remain so provisionally in force until the date of signature or until the Government of Siam notifies that the approval of the

embly has been refused.

"C O P Y"

SUPERINTENDENT, RESIDENT'S OFFICE.

KRS.

KRS.

Protocol.

The Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland, India, the Kingdom of the Netherlands and the Kingdom of Siam;

Being desirous of introducing certain amendments to the Agreement signed at London on the 7th May, 1934, for the regulation of the production and export of rubber;

Have accordingly agreed as follows:--

1. The table to Article 4 (a) of the said Agreement shall be amended to read as follows:--

	1935.	1936.	1937.	1938.
India ..	13,500	12,500	12,500	13,000
Burma ..	8,000	8,500	9,000	9,250

2. The Government of India declares with reference to the reservations made at the time of signature of the Agreement of the 7th May, 1934, and of the Protocol of the June, 1935, that the Indian States have undertaken to act in accordance with the provisions of that Agreement as amended by the present Protocol and that the Indian Legislature has already taken legislative action necessary to implement the terms of the Agreement.

3. The present Protocol shall come into force immediately.

In witness whereof the undersigned plenipotentiaries, being authorised to this effect by their respective Governments, have signed the present Protocol and affixed thereto their seals.

Done at London, this day of June, 1935, in a single copy, which shall remain deposited in the archives of the Government of the United Kingdom, and of which duly certified copies shall be communicated by the Government of the United Kingdom to each of the other contracting

Governments

WS

Governments.

"C O P Y"

SUPERINTENDENT, RESIDENT'S OFFICE.

K.R.N

notes =
Courses